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HOUSE BILL NO. 2721

Offered January 21, 1999

A BILL to amend and reenact § 13.1-658 of the Code of Virginia, relating to corporations; electronic notification of shareholders' meetings.

Patron—Cantor

Referred to Committee on Corporations, Insurance and Banking

Be it enacted by the General Assembly of Virginia:**1. That §13.1-658 of the Code of Virginia is amended and reenacted as follows:**

§ 13.1-658. Notice of meeting.

A. A corporation shall notify shareholders of the date, time, and place of each annual and special shareholders' meeting. Such notice shall be given no less than ten nor more than sixty days before the meeting date except that notice of a shareholders' meeting to act on an amendment of the articles of incorporation, a plan of merger or share exchange, a proposed sale of assets pursuant to § 13.1-724, or the dissolution of the corporation shall be given not less than twenty-five nor more than sixty days before the meeting date. Unless this chapter or the articles of incorporation require otherwise, the corporation is required to give notice only to shareholders entitled to vote at the meeting.

B. Unless this chapter or the articles of incorporation require otherwise, notice of an annual meeting need not state the purpose or purposes for which the meeting is called.

C. Notice of a special meeting shall state the purpose or purposes for which the meeting is called.

D. If not otherwise fixed under § 13.1-656 or § 13.1-660, the record date for determining shareholders entitled to notice of and to vote at an annual or special meeting is the close of business on the day before the effective date of the notice to shareholders.

E. Unless the bylaws require otherwise, if an annual or special meeting is adjourned to a different date, time, or place notice need not be given if the new date, time, or place is announced at the meeting before adjournment. If a new record date for the adjourned meeting is or shall be fixed under § 13.1-660, however, notice of the adjourned meeting shall be given under this section to persons who are shareholders as of the new record date.

F. Notwithstanding the foregoing, no notice of a shareholder's meeting need be given to a shareholder if (i) an annual report and proxy statements for two consecutive annual meetings of shareholders or (ii) all, and at least two, checks in payment of dividends or interest on securities during a twelve-month period, have been sent by first-class United States mail, addressed to the shareholder at his address as it appears on the share transfer books of the corporation, and returned undeliverable. The obligation of the corporation to give notice of shareholders' meetings to any such shareholder shall be reinstated once the corporation has received a new address for such shareholder for entry on its share transfer books.

G. A corporation having 300 or more record shareholders may notify shareholders of annual and special shareholders' meetings under this section by electronic transmission upon receipt by the secretary of the corporation of (i) a writing signed by the shareholder or (ii) a transmission of a telegram, cablegram or other means of electronic transmission from the shareholder, provided that any such telegram, cablegram or other means of electronic transmission must either set forth or be submitted with information from which the secretary can determine the telegram, cablegram or other means of electronic transmission was authorized by the shareholder, authorizing delivery of such notices by electronic transmission.

INTRODUCED

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